

## Colorado Department of Health Care Policy and Financing 2014 Legislative Agenda Proposal

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**Title of Proposal:** Nursing Facility Provider Fee Technical Changes

**Summary of Proposal and Rationale:**

The Department proposes making ~~three~~<sup>a</sup> technical changes to the Nursing Facility Provider Fee statute under 25.5-6-203, C.R.S. ~~These~~<sup>these</sup> corrections aligns statute with the Department's actual practice for ~~determining whether a facility is exempt from fees, when facilities report data to the Department, and how handling~~ prior year rate adjustments ~~are handled~~. Clarifying the statute helps reduce risk of provider appeals by clarifying Department's processes.

**Affected Statutes:**

**25.5-6-203 (2)(b)(V)**

Medicaid funding for nursing facilities is limited by the 3% General Fund growth cap and the limit on provider fees. Statute change is needed to be clear that adjustment to prior year's per diem rates, whether through appeals or through finalization of the cost report audit process, will be handled through the supplemental payment process in the following year. This change was approved by the Governor's office in a 2013 proposal and was also recommended by the AG.

Suggested text: **25.5-6-203 (2)(b)(I):** All moneys in the fund shall be subject to federal matching as authorized under federal law and subject to annual appropriation by the general assembly for the purpose of paying the administrative costs of implementing section 25.5-6-202 and this section, THE AMOUNT TO SATISFY ANY SETTLEMENTS OR JUDGEMENTS FROM NURSING FACILITY PROVIDER REIMBURSEMENT APPEALS, and to pay the supplemental Medicaid payments to offset payment of the provider fee established under section 25.5-6-202 (7).

**Fiscal and Economic (Jobs) Impact:**

There is no fiscal or economic impact as the proposed legislative change is budget neutral. The General Fund growth cap would remain as well as the limit on the provider fee.

**Potential Supporters:**

Colorado Health Care Association (Arlene Miles)

**Potential Opponents:**

Unknown

**Potential Sponsors:**

JBC

**Consequences if Denied:** If the proposal is denied, there will continue to be no clarity on how appeals are paid. The current practices carry potential litigation risks. The Department will be forced to continue to return to the JBC annually for additional funding outside the 3% growth cap to pay for appeals and settlements.